A career in advertising? Mid-career change? Magazine & Section 2

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Advertising Age

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CABLE AGAIN THE BIG ISSUE

Sponsors, SAG far apart as contract talks near

By BOB MARICH

LOS ANGELES—The growth of cable tv, which precipitated strikes by movie and tv program actors and writers in the past two years, is likely to again emerge as a key negotiations area for the actors' tv/radio commercial contract that expires Feb. 7.

Chief negotiators from both sides appear to have little common ground on at least two cable tv issues as they prepare for talks that will start this month.

Whether cable tv should be classified as the same as or distinctly different from free tv, thus requiring additional compensation for actors, is a dividing philosophical issue.

John McGuinn, a Washington attorney and the advertising industry's chief negotiator, said once advertisers pay either national, regional or local broadcast tv rates for a commercial there "shouldn't be an additional cost for cable tv use."

New Screen Actors Guild national executive secretary Kendall Orsatti, the actors' union's chief negotiator, takes the position that cable tv is "separate and apart," apparently requiring special, extra compensation, although he declined to elaborate on this position.

This larger issue spills over into the so-called "interim cable commercials contract" negotiated last spring that provides for a sliding extra compensation scale for network broadcast tv ads placed on national cable tv networks.

The interim contract "has not been satisfactory as far as the advertisers are concerned," Mr. McGuinn said. "It costs too much for the kind of delivery that we're getting. We'll be looking to change that."

Taking the opposite position, Mr. Orsatti said actors find the interim agreement "is working quite well" and should simply be updated in the next contract.

Joining Mr. Orsatti as the actors' negotiators will be Stanford I. Wolff, American Federation of TV

(Continued on Page 52)

United goes hard after business traveler

Eastern gets aggressive

By ROBERT RAISSMAN and RICHARD KREISMAN

New campaigns for Eastern Air Lines and United Airlines took to the air last week, with the Eastern effort cutting back on the flying time of spokesman/president-chairman Frank Borman and the United effort putting other-company chief execs into the friendly skies for the first time.

Campbell-Ewald's first work for its new Eastern account is taking a more "positive" approach than the previous "We have to earn our wings every day" theme, apparently because some company officials had come to believe the old theme was too apologetic in nature.

While the campaign, which broke Jan. 1, features Mr. Borman in some spots, it concentrates on Eastern employes and the pride they take in the airline. Thus, the workers are shown urging travelers to "give us a try," as the overall theme proclaims Eastern to be "America's favorite way to fly." Although "earning our wings" has been replaced, a variation of it is still being used as Mr. Borman utters the line in some of the new spots.

C-E and Eastern are focusing on the fact that the airline carries more passengers than any other airline in the free world. The agency's approach to Eastern's marketing problems centers on a more aggressive role for the airline in making superiority claims.

Eastern bases its No. 1 status on the amount of passengers it has boarded. In 1980, the airline boarded 39,000,000 passengers and expects to nearly meet that figure when the 1981 totals are in.

"When your people have worked as hard as ours have to attain No. 1 status, you can't help but puff up and do a little good-hearted bragging about it," said Russell L. Ray Jr., senior-vp marketing at Eastern.

(Continued on Page 49)

last minute news

Braniff 'going your way' with new campaign

DALLAS—Braniff International will launch its 1982 campaign this week with the theme, "Braniff is going your way." It's the first major drive for the Bloom Agency, which was named to succeed WRG last October.

No Pest flea spray to roll out in spring

GREENVILLE, S.C.—Texize in the spring will roll out its four formulas of No Pest flea spray. Texize is telling the trade it will be supported heavily with tv, magazines and couponing breaking in April, via Henderson.

Ozark returns to tv to pitch Florida routes

ST. LOUIS—Ozark Airlines is launching its first tv campaign in four years to sell its discounted flights from its midwestern cities to Florida. The

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Forecast & Review

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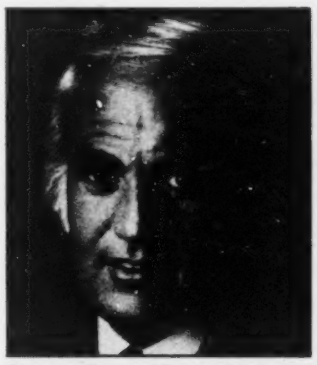
Builds tv-linked conglomerate

Warner's Ross selected as '81 Adman of Year

By JAMES P. FORKAN

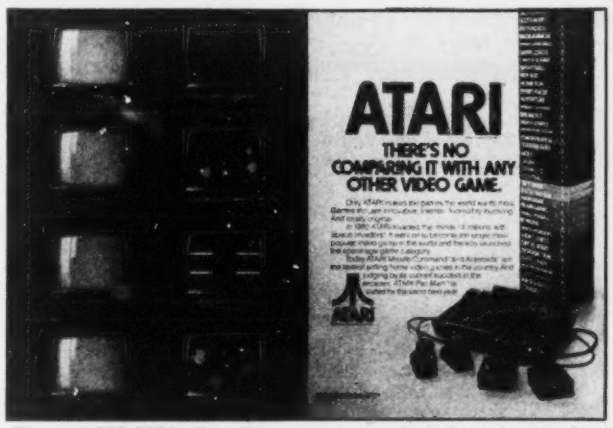


Steven Ross: "Creativity is the common thread."

For such cable tv programing innovations as Music TV and, more importantly, two-way interactive Qube; for the successful marketing of Warner Amex Cable Communications to potentially lucrative metropolitan franchises, and for the phenomenon of Atari videogames, Warner Communications' Steven J. Ross has been named 1981 Adman of the Year by ADVERTISING AGE.

Although it is an entertainment conglomerate whose financial health is based on the popularity of the likes of Superman, Bugs Bunny, the Dukes of Hazzard and Space Invaders, the $3 billion Warner Communications Inc. takes its fun-and-games very seriously.

The white-haired, dapperly-dressed Mr. Ross sees WCI linked to the television set for years to come. Consumers can see films as they move from theaters to pay cable to videocassettes to commercial tv; tv series and cartoons, first on the networks, then in syndication. Through interactive cable services, consumers will be able to shop at



Three 1,000,000-selling videogames are singled cut in this Atari magazine spread by Young & Rubicam.

home for Franklin Mint collectibles and perhaps even for cosmetics, books and records—all the above bearing Warner's "W" logo.

And if, as some forecasters maintain, viewers tire of tv fare, Warner should still generate profits from the home screen, as consumers turn to videogames and home computers.

Warner properties will, indeed already do, cut across all those lines, pulling in revenues at each step along the way. Superman, for instance (a character which WCI acquired with its 1968 buy of National Periodical Publications), has translated its comics book stardom into tv cartoons and a series of live-action motion pictures. The first film, after becoming a box office blockbuster worldwide, has made millions more since then from licensing to pay cable and network tv, from retail sales in vcr form and from various promotional and merchandising tie-ins negotiated by Warner's Licensing Corp. of America unit.

Another Warner property, the Nielsen ratings hit "Dukes of Hazzard," has been racing to its own multifaceted bonanza. In addition to $100,000,000-plus of tie-in merchandise sold during 1981 alone, including several toys made by WCI's own Knickerbocker Toy unit,

(Continued on Page 44)

SOME CATEGORIES HOT, OTHERS NOT

Marketers view '82

An Advertising Age roundup

Millions of people recognized it. The media recognized it. Finally, late in the year, the government recognized it: The U.S. economy had slipped into an economic recession.

So, for the first time in a few years, business prognosticators can begin from a base of admitted fact. And they have. Recession shades the reports compiled by Advertising Age reporters for our second annual category-by-category forecasts.

What seems surprising is that not all these predictions are gloom and doom. Some businesses expect good years. The industries expecting "positive" results include snack foods, office systems, sporting goods and vitamins.

The predictions of a year or two ago seem to be coming true. There appears to be a market for high-quality, higher-priced items. There is a market for lesser quality, lower-priced-items, in categories such as cosmetics, paper goods, rental cars and pet foods. The middle ground is losing ground.

In all, however, the competitive pressure will be great. Some observers point out that their categories will find more "taking away from the other guy" in the push for new business.

Following are the key findings of these AA industry surveys:

Fast-food/restaurants

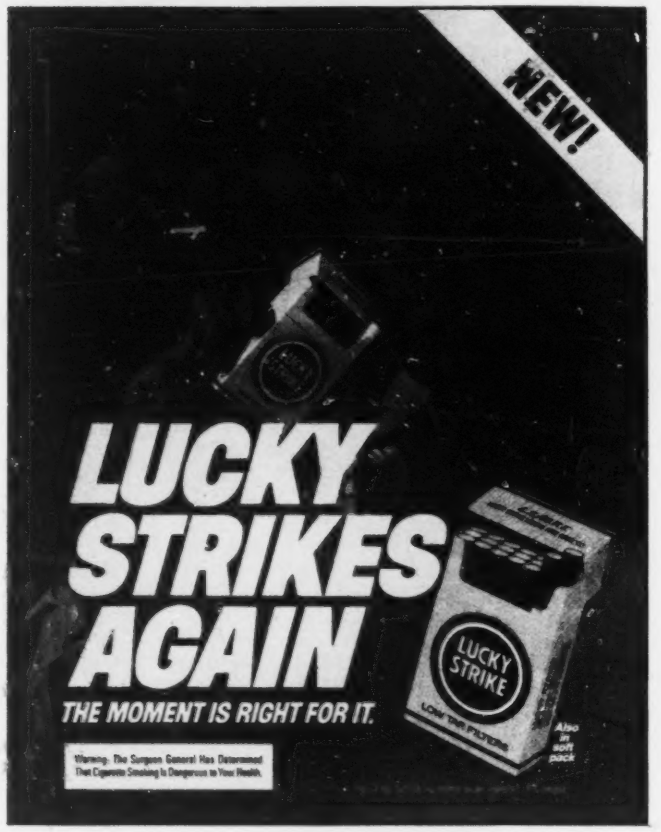
Because the fast-food and restaurant industry is so closely tied to disposable income, the nation's economic health in 1982 will be the most critical factor in the recovery of the foodservice business, which dipped late last year along with the economy. However, with the food supply projected to be plentiful, stable beef prices and the lack of a minimum wage increase this year, fast-food chains should be able to hold price hikes, making eating out an attractive value for consumers.

Real growth in most segments will be hard to find, predict industry observers, who blame continuing high interest rates for the slowdown in unit expansions that has fueled industry growth in the past. Technomic Consultants, Chicago, is forecasting a real growth rate of 0.7% for the total foodservice market. The estimated $82 billion commercial segments (full-service restaurants, fast-food, hotel/motel, retail and recreation) will grow at a slightly higher rate of 1% in 1982.

"Eating out is still one of life's little luxuries," said Ron Paul, Technomic's president. "I think it will be a good year, particularly for fast-food, which can capitalize instantaneously on any economic recovery. The tax cut, for instance, should help give consumers a psychological boost."

Some are not as optimistic, predicting a continuing shakeout of marginal chains and operators. For the chains that hang on, many will try new formats, concepts and menu items to revive sales. Major hamburger chains, including

(Continued on Page 46)


NEW!
LUCKY STRIKES AGAIN
THE MOMENT IS RIGHT FOR IT.
LUCKY STRIKE
Also in soft pack
Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

Revival

American Tobacco gives Lucky Strike a new try, via Laurence, Charles & Free, in ads that will appear in markets—Spokane, Wash., and Binghamton, N.Y.—where the revival effort is being tested (AA, Sept. 28).

New drive set for February

Some spurn NRA ads

Tulsa—The 1982 National Rifle Assn. campaign will break in February in some national consumer magazines, but others turned it down as too controversial.

Bearing the theme "I'm the NRA," the estimated $1,000,000 campaign begins with four testimonial ads featuring former astronaut Wally Schirra; Janice Schuler, an 18-year-old member of the U.S. Shooting Team; Noma McCullough, a rifle shooting champion, and Bryan Hardin, a second-grade student.

"The primary message of the campaign is to convey that the NRA consists of 2,000,000 people from all walks of life, with one common interest of shooting as a sport," said Coy Hobbs, vp of Ackerman & McQueen, Tulsa, agency for the NRA.

"We believe that people not familiar with the NRA tend to stereotype the association as a group of backwoods hicks, which is totally wrong," he said. "We have to work to change that image, as well as recruit members."

NRA plans include placement of ads in women's magazines to reach "the surprising number of women involved in competitive shooting and home defense programs," Mr. Hobbs said. The NRA's activities opposing gun control legislation have been the main focus of attack on the group in recent years.

Magazines that rejected the ads, he said, include *California, National Geographic, San Francisco, Sunset, The New Yorker* and *Texas Monthly.*

The campaign will run in *Better Homes & Gardens, Boys' Life, Esquire, Field & Stream, Life, MNI-Chicago, McCall's, National 4-H News, Outdoor Life, People, Sports Illustrated* and *U.S. News & World Report.*#

Bates, Brower, Fitz-Gibbon join Ad Hall of Fame

Washington—Two former ad agency chairmen and a woman who is credited with revolutionizing retail advertising have been selected as the newest members of the American Advertising Federation's Advertising Hall of Fame.

They are Ted Bates, founder of Ted Bates Worldwide; Charles Brower, former chairman of BBDO, and Bernice Fitz-Gibbon, who operated her own retail agency after a distinguished career at Macy's, Wanamakers and Gimbel's.

The selections from among 75 nominees were made by a 26-member council of judges under the chairmanship of Jock Elliott, chairman of Ogilvy & Mather.

With the new additions, 87 have been selected for the Hall of Fame since it was founded in 1949. Members receive a "Golden Ladder" trophy inscribed: "If we can see further it is because we stand on the rungs of a ladder built by those who came before us." Their photos are permanently exhibited at AAF headquarters in Washington.

Mr. Bates, who died in 1972, was described by the judges as "a soft-spoken, private man" who earned his agency a reputation as a pioneer of the hard-sell television commercial. He was involved in the creative activities of the agency, and is personally identified with such campaigns as the Palmolive "14 Day Beauty Plan" and the Wonder bread slogan, "Helps build strong bodies 12 ways."

He began his career in advertising as manager of the Chase Bank soon after earning his bachelor's degree at Yale in 1924. Before starting his own agency in 1940 he held various positions at the George Batten Co. and Benton & Bowles.

Under his leadership, the agency became one of the five largest in the world. He also was deeply involved in public service work through the Advertising Council. He resented the industry's critics, and once said advertising was a "convenient whipping boy for people who are suspicious of the entire free enterprise system." He is the

(Continued on Page 52)

highlights

Monday, Jan. 4, 1982

H.J. Heinz Co.'s Ore-Ida Foods division, already the leader in the frozen potatoes market, is sprouting a new marketing effort to hold its position. *See Page 6.*

Carter-Wallace has been ordered to stop advertising that Nair depilatory with baby oil acts as a moisturizer in place of other products. *See Page 6.*

Desserts sweetened the number of new product introductions in December. *See Page 14.*

Eager to cut costs, airlines are launching a $2,000,000 campaign to boost the Universal Air Travel Card, a direct billing system for business travelers. *See Page 49.*

Faberge revamps its Farrah Fawcett haircare line with new packaging, pricing and advertising. *See Page 54.*

CORPORATE CLOSEUP

Del Monte is attempting to transform itself from a commodities-oriented organization to an international marketer of value-added convenience products. *See Page 4.*

MAGAZINE

In a lecture recently at the University of Illinois at Champaign-Urbana, Advertising Age Washington editor Stanley Cohen looked at advertising in an era of national reevaluation. Excerpts of his lecture on the similarities and differences between advertising and journalism, consumerism and product development reforms in this new era are presented. *See Page 29.*

Louis J. Haugh looks at promotion trends for the year ahead and beyond. *See Page 32.*

section 2

JOB HUNTING

Entry-level jobs in marketing and advertising are practically nonexistent. The demographics of the baby boom generation are putting the squeeze on midmanagement jobs. Is there any good news? Section 2/Job Hunting takes a look at the problems (and a few solutions) facing middle-management and midlife career seekers and changers, starting opposite Page 28.

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world news roundup

Auckland—New Zealand's High Court has granted SSC&B:Lintas an unusual injunction preventing two of its former senior executives from contacting any Lintas clients until the matter comes before the court again. The agency also has filed for damages against the two officials and is making a report to the Australian Federation of Advertising Agencies.

Paris—Foucher, France's leading chocolate marketer, last week said it will form its first U.S. company in 1982. The company already has 400 outlets in Japan.

Toronto—Warner-Lambert has hired Harrison, Young, Personen to help J. Walter Thompson Co. and Ted Bates & Co. in placing a $10,000,000 media budget. HYP provides a similar service for PepsiCo Canada, another JWT client.

White collar jobs holding their own

BY JACK MCGUIRE

Given the parlous state of the economy, you might assume the nation's executive recruiters are wringing their hands in despair. Not so.

Survey some of the top headhunters across the country, most of whom specialize in marketing/advertising personnel, and the picture is not all that grim.

It depends, of course, on whom you talk to and where. There are some rough spots and sometimes the focus is blurred by local conditions. But, for the most part, and particularly in the high-salary brackets, the business is hanging in there, holding its own.

It's difficult to find concurrence on all aspects of the job market, current and future, as you skip from one area to another, but on one point there is universal agreement. The blue collar sector is not only soft, it's frayed.

The white collar segment, on the other hand, is doing well, with only scattered signs of wilting. If there's a ring around that collar, the place where it can be detected is in the depressed industries.

With the exception of top-level jobs, relocation, for all practical purposes has become cost prohibitive.

Agencies and corporate marketing departments are becoming more selective in placing candidates. They want seasoned personnel, preferably those who can wear several hats.

As for entry level jobs, the recruiter's report they simply no longer exist.

Other generalizations? Listen for yourself.

Gene Judd, president, Judd-Falk, New York

Since we deal heavily in the consumer goods area—foods, drugs and cosmetics—we're a bellwether of what's happening with the general economy.

Right now it's rather strange out there. Many companies are not making any strong commitment. One shoe has dropped and they're waiting for the other one to fall.

Another barometer of what the economy is doing is in the supportive areas of market research and sales promotion, especially on the new product side. They were once very active but they have been falling off. Many of the companies seem to be assuming those jobs themselves.

We're still seeing plenty of action in the top-level executive positions, but the mid-management business has shrunken. In many ways the situation today is not unlike the recession of '73. A lot of companies have taken the attitude, "let's wait and see."

Ted Chaloner, personnel consultant, marketing/communications, Rogers & Sands, Boston

Things aren't that great at the top and bottom levels, but in the middle, it's not that bad. Most of the agencies seem to be saying "maybe later," but balancing that off, on the corporate side they're looking for people, especially with agency experience.

Many of the jobs in communications in Washington are drying up. A lot of people in public relations in the capital are finding the scope of their position has narrowed and they'd like to get into the private sector. But where? There's not much going in the agencies and broadcasting has slowed from a walk to almost a complete halt.

On the entry level this is a tough market. There are about 52 colleges in the area dispensing hundreds of thousands of graduates each year.

John Kurdziel, vp-executive search, Fox Morris Inc., Philadelphia

There's still a demand for well qualified people. The industrial companies are cutting back, but the major consumer product companies are still strong and hiring. The computer industry is showing great strength. While many industries may not be expanding, they are hiring replacements.

Flexibility is the key word in adapting to the economy and the marketplace and identifying the hot areas.

When it comes to our immediate areas, figures released by the government are somewhat misleading. The greatest impact of the recession has been felt primarily by the blue collar sector.

We're a broad-based company, not tied to any one industry and we've just wrapped up the best year in our 29-year history.

Alan Schonberg, president, Management Recruiters International, Cleveland

The sales and marketing areas are booming. Demand is up all across the country. The only problem is finding qualified people.

While there may have been a slight downturn in the lower level positions, on the top end the demand has increased.

Where the biggest change has occurred is in the type of candidates the agencies and companies are looking for. They want seasoned personnel, preferably those who can wear several hats; people with managerial abilities to go along with their basic skills.

Richard Orleskit, president, Omni Executive Search, Atlanta

We're a national agency, primarily in the food and consumer packaging field, with only a modest percentage of our business placed locally.

Right now it's a company-by-company situation with many of them adopting a wait-and-see attitude and a freeze on hiring. There's plenty of good talent available here, but with housing $10,000 less than it is in New York, the problem is how to get them to move.

On the agency side it's difficult to lure top people from New York or Chicago into the area. The big agencies bring some in, but when they find that upward movement is slow, they jump ship for one of the smaller agencies. But imports rarely leave. They're only recycled around the market.

Verne Kelley, senior vp, marketing, Victor Paul & Associates, Chicago

Upward movement, the promotion rate, particularly on the agency side is rather slow. It started to get that way about a year ago and it hasn't changed.

A lot of people said, "Wait until after the election." Well we waited and nothing happened. There was no big turnaround.

The mid-management level is extremely tight right now. I know of some marketing managers who have been out of work for six months and on up to a year. And every time a good spot opens up, there seems to be a hundred applicant's vying for it.

Chicago has been pretty hard hit but when you attempt to move someone out of here to the Coast, forget it. The housing there is three or four times higher than Chicago, which isn't low. It's okay if the person is a "single" renter. But for a "family" homeowner—no go.

Walt Walker, president, Walker Executive Recruitment, Minneapolis

Things are relatively quiet, a reflection of the times. The companies are being very cautious about who they hire. They're checking over the prospects thoroughly, looking for quality. It's definitely a buyer's market.

One of the biggest factors hindering any mass movement is the high cost of relocation. For a $50,000 job it takes half that much again to pay for the move.

On the consumer side not much is happening in spite of the fact that there are all kinds of spots open for high technology jobs. I think it will be mid-82 before we start to see any real improvement.

Samuel Skeegan, president, Roth Young Personnel of Detroit, Southfield, Mich.

We aren't seeing much expansion in the advertising and marketing areas. But at the same time, there hasn't been any drastic cutbacks.

Detroit is admittedly a depressed area, but those that have been most adversely affected are the blue collar ranks. But our business isn't based on local placement. We work for local firms, but we also move a lot of people out.

Last year may have been a downer, but as far as we're concerned we registered our best year in a decade.

There are still plenty of good jobs for good people right here in the Detroit area.

The automotive companies cut back on marketing personnel during the recession of the mid-70s but kept the accountants and engineers on board. Now they're beefing up their marketing departments again.

On the agency side there's no great demand for people on the account supervisor level, but they are looking for copywriters, art directors and good people in the creative area.

Con P. Curran III, president, Michael Latas & Associates of Colorado, Vail, Colo.

There's plenty of action if you know where to look. Our business

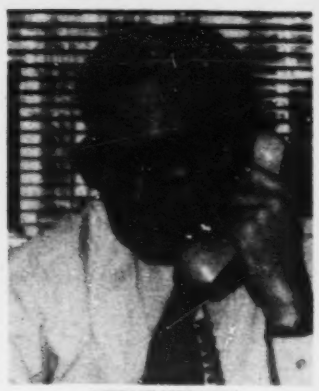
(Continued on Page S-5)

Jack McGuire is a business writer in Chicago who contributes frequently to Crain Communications Inc. publications.

GENE JUDD

JOHN KURDZIEL

ALAN SCHONBERG



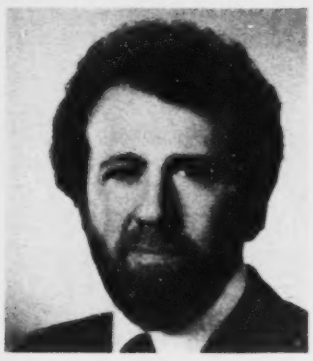
VERNE KELLEY

Annual salaries for marketing positions

Figures represent nationwide data

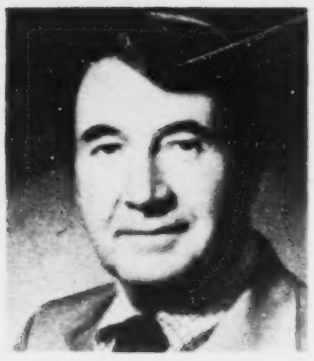
	Low	Median	High
Marketing research analyst	$16,000-$18,000	$19,000-23,000	$25,000-29,000
Marketing research manager	23,000-25,000	26,000-32,000	35,000-43,000
Group marketing research manager	30,000-34,000	35,000-39,000	42,000-48,000
Field marketing manager	18,000-21,000	22,000-26,000	29,000-31,000
Assistant product (brand) manager	21,000-24,000	25,000-28,000	30,000-34,000
Product (brand) manager	25,000-31,000	29,000-38,000	37,000-42,000
Group product (brand) manager	27,000-35,000	33,000-46,000	45,000-55,000
Director of marketing	34,000-42,000	41,000-48,000	50,000-60,000+
International marketing manager	31,000-37,000	39,000-43,000	50,000+
Sales promotion manager	24,000-26,000	27,000-31,000	36,000-42,000
Director, packaging design	31,000-34,000	38,000-41,000	43,000+
Junior copywriter	9,000-12,000	13,000-15,000	16,000-18,000
Copywriter	18,000-22,000	24,000-29,000	31,000-41,000+
Copy director	25,000-29,000	31,000-39,000	42,000-48,000
Creative director	24,000-28,000	31,000-39,000	43,000+
Artist	13,000-15,000	15,000-21,000	24,000-30,000+
Art director	22,000-26,000	27,000-33,000	37,000+
Media buyer	16,000-19,000	20,000-26,000	31,000+
Media director	21,000-25,000	27,000-32,000	37,000+
Junior account executive	18,000-21,000	22,000-27,000	31,000+
Account executive	21,000-25,000	27,000-31,000	33,000-41,000
Account supervisor	26,000-29,000	31,000-39,000	42,000-46,000+
Director of public relations	26,000-30,000	32,000-36,000	41,000-46,000+
Production manager	23,000-27,000	28,000-35,000	42,000+
Sales promotion manager	21,000-25,000	27,000-32,000	35,000-42,000
Advertising manager	25,000-28,000	30,000-36,000	38,000-43,000
Director of advertising	28,000-32,000	34,000-39,000	43,000-58,000

Source: Roth Young



WALTER WALKER

SAMUEL SKEEGAN



HOPKINS COLMANT

Job survey

(Continued from Page S-2)

is split 50-50 between corporate and agency jobs. And in the agency area, good account people are really hard to find.

The hot spot, and where we are doing most of our placement is in the Sunbelt states. Texas, and Dallas in particular, is very active.

There's fast tempo, a new frontier in these glamor markets. And when I say "frontier" I don't mean California. We're taking them out of there by the carload. The cost-of-living there is out of sight.

What the up-and-coming companies want, are innovative, aggressive people to match their own fast-moving style.

What recession? We doubled our sales last year.

Bob Kopulos, president, Rand-Curtis Resources, Phoenix

How's the job situation? It depends on what business you're talking about. In the pharmaceutical field we have more job orders than we can possibly fill.

The fast-foods area was good in '80 and even better in 1981. There's plenty of movement in the middle to upper positions. But I'm not talking about the immediate area.

Except for San Francisco, Los Angeles and Washington, Phoenix has the toughest housing market in the country. A tract house can set you back for $350,000. When we place someone here, we're talking about moving them out.

Helen Edwards, Helen Edwards & Staff Agency, Los Angeles

We've been in business for 46 years, through good times and bad. Right now we're feeling the effects of the recession and people are holding on to their jobs for dear life.

It has been a quiet year that has just passed, and things probably won't open up until the middle of this year.

We work with people already in the market since the agencies won't pay for relocation.

Hopkins Colmant, president, Advertising Careers Agency, San Francisco

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Source: ABC Publisher's Statement, 9/30, 1981.
*Computed by Houston Post Research Department from ABC Publishers' Statements
** 1981 Houston Market Study by RICI

A NEW ERA

(Continued from Page 30)

one is sensitive to these dangers, unless someone is willing to speak up, serious, unnecessary, unintended harm can be done.

One person can make a difference. Like the young woman of my acquaintance who was in her first week in the art department of an advertising agency. She was working on an important ad the creative director himself had written. She read the headline, which went something like this: "Is this one of those days when you feel like going home and kicking one of the kids?" And she said to herself. "My God, what kind of a business have I gotten into?"

She sulked for a day and finally took her misgivings to the creative director. "Is there a message here that kicking a kid is an acceptable form of behavior? Considering the child abuse problem in our community, do we want to say this?"

The creative director was shocked, but agreed to think it over. The next day he told the young woman: "I don't believe my copy does what you say. But if some people will read it that way, then we shouldn't use it." This young woman had spoken up for what she believed. It made a difference in how her associates felt about her, and how she felt about herself and her career.

In summary, I believe it comes down to this: How will advertising people see themselves? Will they limit their concerns to the sales curve? Or will they recognize that pursuit of the sales curve must be reconciled with some greater cause.

Advertising's destiny in the new era will rest with leaders who can look beyond the short range, who understand that what is good for advertising can also be good for society.

But only if the advertising is created by people who are sensitive to the world around them, and who make sure that advertising is part of the solution instead of part of the problem. #

PROMOTION TRENDS

A look ahead: What's hot and what's not

BY LOUIS J. HAUGH

Because this column is about promotion trends and we are now on top of a new year, it seems appropriate to look at what may happen in this business this year.

Over the last eight years, expenditures in promotion grew at an average of 11% per year. The growth rate is higher than average in each of the last four years.

There were changes within the promotion part of the marketing mix. Dollars invested in trade allowances tended to slip while consumer promotion activity commanded an increasing share of the marketing pie. It is almost an article of faith that consumer and trade promotion expenditures now top advertising outlays for most companies.

There is an additional factor to consider in the process of predicting what may happen in sales promotion this year and beyond. Since the 1960s, promotion expenditures tended to rise in periods of recession more than the average. Promotion outlays seem to be more recession-proof than advertising investment. This seems to follow by intuition alone because promotion tactics are essentially short-term in nature and during a recession, most companies are looking for quick sales fixes.

However, we believe that growth in promotion will be tempered somewhat in this current period of economic distress. Many marketers are unable or unwilling to wean themselves from the short-term event. For example, look at the heady growth in couponing over the last few years.

It would appear that a number of forces, including retailers, agencies and media groups, are marshaling their resources against the growing use of couponing as a marketing panacea. There are a number of reasons. Here are a few.

- The trade wants more allowance monies and perceives coupons as a threat to its share of the pie.
- Agencies believe that they have seen billings drift away in cents-off coupons, sweepstakes or premium offers, taking away dollars that were earmarked for ad schedules. Print media appear to be particularly sensitive to this change in the face of various co-op programs such as those in freestanding inserts and newspapers on best food day.
- Companies are realizing that in some cases a coupon is only a short-term fix and that it may be short-sighted to rely excessively on only one promotion tactic. General Foods Corp., the largest couponer, is reportedly cutting back on its cents-off efforts.

In an earlier column (AA, June 8, P. 58) Vince Johnson of Independent Marketing Observer, St. Simons Island, Ga., said he was "convinced couponing is no longer a healthy marketing strategy." He said he had doubts about couponing's long-term impact for a brand; that couponing costs are often understated; that misredemption is not properly taken into account and that it's next to impossible to track coupons to the store where they were redeemed. This makes tracking the effectiveness of coupons quite difficult, he said.

As he puts it, the "staggering volume of coupons is more than most retailers can handle." He predicted that the 7¢ handling charge will be increased to 9¢, citing several companies that have increased the handling charge on some coupon drops.

Spokesmen for magazines are not particularly enamored with coupons either. William Joseffer, marketing director for grocery products, *Better Homes & Gardens*, was quoted recently as saying that he believed the coupon trend is not a good one. "I think it's gotten out of hand. My conversations with a lot of food people indicate they'll try to reduce coupon frequency because it doesn't build anything and only erodes their profits."

Jay Burzon, associate publisher/advertising, *Woman's Day*, predicted that promotional activity in magazines has peaked. "It's a pendulum. It was happening for a six to eight month period and I think we've been through it. I've spoken to major companies that feel that coupons are too costly. They're worried about the high redemption numbers that cut into their profits."

ESTIMATED PROMOTION INVESTMENT BY TYPE

CATEGORY	$1981*	% Total	$1982*	% Total	% Dif. '81 to '82
Meetings/Conventions	$15.4	26.2%	$16.8	26.1%	9.1%
Premiums/Incentives	10.8	18.4	12.0	18.6	11.1
Direct Response	9.0	15.3	9.9	15.4	10.0
Display, POS	6.4	10.9	7.1	11.0	10.9
Promo Ads	5.0	8.5	5.4	8.4	8.0
Collateral	4.9	8.3	5.3	8.2	8.2
Trade Shows	3.4	5.9	3.7	5.7	8.8
Coupon/Refund	1.9	3.2	2.1	3.3	10.5
Specialties	1.1	1.9	1.2	1.9	9.0
All Other	.8	1.4	.9	1.4	12.5
TOTAL	$58.7	100%	$64.4	100%	9.7%

Source: Westport Marketing Group, Inc.
*Dollars in billions

Of course not everyone in print media feels the same way, but there is a growing concern about the proliferation of promotion ads. This review and introspection suggests promotion, generally, and couponing, in particular, may face a more conservative growth curve over the near term.

And while promotion growth has burgeoned in recent times, we do not expect these expenditures to grow as rapidly this year. It is estimated that $58.7 billion was invested in promotion in 1981, compared to $54 billion the year before. For last year advertising outlays are put at less than $40 billion. Although promotion expenditures will top $60 billion in 1982, up about 10%, we do not expect the growth to be in the 12% to 15% range of the previous four years in spite of a recessionary economy. This does not include the estimated $50 billion-plus that manufacturers invest each year in allowance money.

There will be changes in the promotion mix, however. Our chart depicts estimated investment by promotion type for 1981 and 1982, based upon sources in companies, industry trade associations and business publications.

The chart shows 1982 outlays will be up 9.7% over 1981, a conservative estimate in light of the 10% average growth rate promotion has experienced since 1970.

However, a principal focus of interest for 1982 will be how these funds are allocated. It has been suggested that coupon activity may not keep pace with previous years. Here are some educated guesses about the future of several major types.

Couponing: There are likely to be more intra-company and intercompany co-op events. Face values will remain static below retail price increases over-all. Look for magazines, Sunday supplements and other lower redeeming distribution vehicles to gain in share of the coupon distribution as companies attempt to show the trade support for the brand but not necessarily fund the high redemption nut. The trend away from best food day to Sunday is likely to continue as well. The day of coupon-only promotions is just about gone. More coupon events include large space overlays to accommodate brand-sell advertising, a premium or a sweepstakes. Promotion ads are becoming stridently competitive.

Refunds: This promotion has changed dramatically as redemption rates skyrocketed. It is now possible to estimate liability for such events with some degree of confidence. The "official rules" of refunds are now better understood by consumers, thanks to concerted efforts by the Promotion Marketing Assn. of America and others. More brands are requiring higher numbers of proofs for higher face values. While "slippage" does occur, clearly the number of consumers who stay involved with the refund makes this tactic an important promotion tool.

Premiums: More brands are using high-value premiums to reinforce the brand position and other brands look for free-in-the-mail or near-pack premiums.

These lower-priced items, with broad appeal, can move goods at retail as consumers save multiple proofs to complete the offer. Some promotions now offer a free premium for multiple proofs but include a "can't wait" feature of fewer proofs and some money. We are not in favor of "free" premium offers that require 50¢ or more for "postage and handling." Too many of these events are for items that can be regarded as marginal in value and the fee covers postage, handling and the premium cost.

Sweepstakes: We have seen one report that indicates sweepstakes events increased 300% from a few years ago. There is clutter in this category, and unless the prize structure builds on a copy platform for the brand or increase awareness, a sweepstakes can be a mistake.

In-pack game events seem likely to continue to proliferate. Consumers respond to them, and we have heard of impressive sales increases. There are some adverse rumblings over preseeded winner events. Some of these promotions require the consumer to match a UPC number in the ad with the number on the product in the store. Some of these have not made it clear that the variable is the playing piece, not on the brand.

Further, there are some events that capitalize on consumer ennui and award only claimed prizes. While this is within the intent of the law, some industry sources fear adverse reaction when all prizes are not awarded. The category is returning to the levels of activity it achieved a decade ago when the government cracked down on some disreputable practices.

Promotion management: The biggest change is likely to be evolutionary rather than revolutionary. Because of increased awareness of expenditures in promotion, more companies are taking a closer look at how these funds are managed and invested.

There will be greater emphasis on training. There will be greater emphasis on promotion evaluation. The "art of promotion" is inevitably giving way to the "science of promotion." Creativity is still required but companies are demanding proof of effectiveness too. #

Louis J. Haugh is managing partner, Westport Marketing Group, Westport, Conn.